CDP Forests Questionnaire 2022

F0. Introduction

F0.1

(F0.1) Give a general description of and introduction to your organization.

SSE is a UK-listed energy company, operating across the UK and Ireland. It is also expanding its renewables business into carefully selected international markets including East Asia, Europe and North America. It is involved in the generation, transmission, and distribution of electricity; and in the supply of electricity, gas and related services to customers. It is a leading generator of renewable electricity in the UK and Ireland and one of the largest electricity network companies in the UK. SSE's purpose is to provide energy needed today while building a better world of energy for tomorrow; and its vision is to be a leading energy company in a net zero world.

SSE has set four goals for 2030 aligned to the United Nations' Sustainable Development Goals (SDGs). These are, by 2030, to: cut carbon intensity by 80% from 2017/18 base year; increase renewable energy output fivefold to 50TWh a year; enable low-carbon generation and demand with 20GW of renewable generation and facilitate around 2 million EVs and 1 million heat pumps on SSEN's electricity networks; and, champion a fair and just energy transition.

SSE has a target to achieve net zero across scope 1 and 2 greenhouse gas (GHG) emissions by 2040 at the latest (subject to security of supply requirements) and for remaining scope 3 GHG emissions by 2050 at the latest. Working towards this longer-term net zero target, SSE has medium-term carbon targets which have been approved by the Science Based Target Initiative (SBTi): reduce carbon intensity of scope 1 GHG emissions by 80% by 2030 from 2017/18 base year; reduce absolute scope 1 and 2 GHG emissions by 72.5% by 2030 from 2017/18 base year; reduce absolute GHG emissions from use of sold products (scope 3) by 50% by 2034 from 2017/18 base year; and, engage with 50% of suppliers by spend to set a science-based target by 2024.

SSE's £12.5bn capital investment plan to 2026, its 'Net Zero Acceleration Programme', aims to accelerate this clean growth, alongside ambitious 2031 targets, aligned with net zero and 1.5°C. It is estimated that SSE's capital investment could total in excess of £25bn this decade in the UK and Ireland. It will also enable delivery of around 20% of the UK's revised 50GW offshore wind target and over 20% of UK electricity networks investment, whilst deploying flexibility solutions and exporting renewables capabilities overseas.

SSE's businesses and how they contribute to net zero:

SSE's businesses are well positioned to capture the growth opportunities generated by driving and accelerating the net zero agenda through electricity infrastructure:

· **SSE Renewables:** develops, builds, operates and invests in assets that generate electricity from renewable sources.

· **SSE Thermal:** generates electricity from thermal sources in a flexible and reliable way, supporting balancing of the electricity systems in GB and Ireland. **Gas Storage** holds around 40% of the UK's underground capacity, supporting security of supplies in the UK.

· **SSEN Transmission:** owns, operates and develops the electricity transmission network in the north of Scotland.

· **SSEN Distribution:** owns, operates and maintains the electricity distribution network in the north of Scotland and central southern England.

· **SSE Business Energy and SSE Airtricity**: provide energy and related services to households, businesses and public sector organizations across GB and the island of Ireland.

· **SSE Distributed Energy:** focused on investing in, building and connecting localised flexible energy infrastructure, as well as developing solar and battery projects, operating heat networks, and offering integration, aggregation and trading capability.

· **SSE Energy Portfolio Management:** secures value for SSE's asset portfolios in wholesale markets and manages volatility through risk-managed trading of energy-related commodities.

CDP Forest Report:

For this response, SSE has focused on the material timber-related activities which take place in two of its business areas:

- **SSEN Distribution:** uses wooden structures to distribute electricity to customers in its licence areas. This is the most material aspect of timber use in this business area. SSEN Distribution procures around £2m worth of wooden poles annually for new projects and to maintain existing networks.

- **SSE Distributed Energy**: has interests in the UK's largest dedicated combined heat and power plant in the UK (Slough Heat and Power) which uses waste wood to generate electricity. The waste wood used to generate electricity is defined as renewable under the UK government's climate change legislation.

With a capacity of 15MW, Slough Heat and Power generated 73GWh of electricity in 2021/22, meaning that the site represented 0.2% of SSE's total capacity and 0.3% of its total output. Slough Heat and Power represents an immaterial share of SSE's operations, therefore most of this response will focus on SSEN Distribution's interaction with forest-related products.

F0.2

(F0.2) State the start and end date of the year for which you are reporting data.

	Start Date	End Date
Reporting year	April 1, 2021	March 31, 2022

F0.3

(F0.3) Select the currency used for all financial information disclosed throughout your response.

GBP

F0.4

(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization's area of operation.

	Commodity disclosure	Stage of the value chain
Timber products	Disclosing	Manufacturing
Palm oil	This commodity is not produced, sourced or used by our organization	
Cattle products	This commodity is not produced, sourced or used by our organization	
Soy	This commodity is not produced, sourced or used by our organization	
Other - Rubber	This commodity is not produced, sourced or used by our organization	
Other - Cocoa	This commodity is not produced, sourced or used by our organization	
Other - Coffee	This commodity is not produced, sourced or used by our organization	

F0.5

(F0.5) Are there any parts of your direct operations or supply chain that are not included in your disclosure?

Yes

F0.5a

(F0.5a) Identify the parts of your direct operations or supply chain that are not included in your disclosure.

Value chain stage	Exclusion	Description of exclusion	Potential for forests-related risk	Please explain
Direct operations	Business activity	This report excludes any joint ventures in which SSE does not have operational control. Below are examples of the largest businesses excluded from the inventory. For a full list of SSE's subsidiary undertakings, partnerships, joint ventures and associates, please refer to pages 303 to 308 of SSE's Annual Report 2022. Scotia Gas Networks (SGN): SSE held a 33.3% financial investment stake in Scotia Gas Networks (SGN). SSE did not have a controlling stake in, or operational control of, this business and SGN completes its own GHG and SECR reporting. On 22 March 2022 SSE sold its entire 33.3% stake in SGN. SSE E&P (UK) Limited: During 2021/22, SSE had investments in gas production assets in the North Sea and west of Shetland, all of which were owned by SSE E&P (UK) Limited. Although this company was wholly owned by SSE, SSE did not hold a controlling stake in any assets. SSE agreed the sale of all of its interests in its portfolio of gas exploration and production in December 2020, and the disposal of this business was concluded on 14 October 2021.	No potential	Environment data is covered by Joint Ventures in other regulatory and annual reporting communications. These activities have minimal forest-related products or risks and are therefore excluded.

Direct operations	Country/ geographical area	Source/ country/ geographical area: Operations outside of the UK. SSE has operations in Ireland. Minimal forest-related products are used in the business however these are immaterial and are therefore excluded. No potential There are minimal forest-related products used and are therefore excluded.	No potential	There are minimal forest-related products used and are therefore excluded.

F0.6

(F0.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.?)

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	GB0007908733

F1. Current state

F1.1

(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?

Timber products

Activity

Other, please specify

Waste wood used as fuel source for power generation & Wooden poles for electricity distribution.

Form of commodity

Softwood logs

Other, please specify

Waste-wood for bioenergy generation & Softwood logs for distribution poles

Source

Contracted suppliers (processors)

Contracted suppliers (manufacturers)

Country/Area of origin

Finland

United Kingdom of Great Britain and Northern Ireland

% of procurement spend

<1%

Comment

Slough Heat and Power uses waste wood (classified by the Environment Agency regulations) to generate electricity. All of suppliers of waste wood are based in the UK. The electricity generated is eligible for Renewable Obligation Certificates (ROCs) as classified by Ofgem, the regulator for gas and electricity markets in Great Britain. To receive ROCs, the waste wood has to meet specific criteria. This criteria is that it is 'waste' wood and not raw timber and that it is of a certain grade of waste as specified by the Environment Agency. Slough Heat and Power uses only waste wood to generate electricity.

SSEN Distribution owns and operates the electricity distribution network in the north of Scotland and central southern England, delivering energy to around 3.8m customers. These networks use wooden poles to support the overhead lines to distribute energy to its customers. In 2021/22, SSEN procured around £2.3m worth of wooden poles out of a total procurement spend for the Group of around £4.5bn. These wooden poles were by sourced from Finland.

F1.2

(F1.2) Indicate the percentage of your organization's revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.

	% of revenue dependent on commodity	Comment
Timber products	<1%	While low value spend, overhead wood poles provide a significant function in supporting SSEN Distribution's network. Reported revenue for SSEN Distribution in 2021/22 was £954.6m out of a total reported revenue for the SSE Group of £8.6bn, accounting for 11%. A vast majority of the existing overhead line infrastructure is already in place and will not require extensive replacement, whilst many distribution lines have already been undergrounded in the SEPD Network (Southern Electric Power Distribution Network). Therefore purchasing new poles for its networks represents under 1% of SSE Group's revenue. Reported revenue for SSE Distributed Energy was only 2% of SSE Group's total reported revenue for 2021/22, and this accounts for much more business activity that power generation at Slough Heat and Power, therefore it has not been included in the percentage of revenue dependent on commodity.

F1.5

(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?

	Data availability/Disclosure
Timber products	Consumption and production data available, disclosing

F1.5a

(F1.5a) Disclose your production and/or consumption figure, and the percentage of commodity volumes verified as deforestation- and/or conversion-free.

Forest risk commodity

Timber products

Data type

Consumption data

Commodity production/ consumption volume

103,986

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

Yes

% of reported volume verified as deforestation- and/or conversion-free

100

Please explain

SSE's Slough Heat and Power station receives waste wood from its suppliers. This waste wood is then used as bioenergy to generate electricity. The data presented is in tonnes of waste wood that is burnt at the Slough Heat and Power station. In 2021/22 the output from Slough Heat and Power station was 73GWh. The capacity of the power station is 15MW. The waste wood that is burnt at the power station is classed as renewable energy under the UK Government legislation and is eligible for Renewable Obligation Certificates (ROCs) as classified by Ofgem, the regulator for gas and electricity markets in Great Britain. To receive ROCs the waste wood has to meet specific criteria. This criteria is that it is 'waste' wood and not raw timber and that it is of a certain grade of waste as specified by the Environment Agency. Slough Heat and Power uses only waste wood to generate electricity.

Forest risk commodity
Timber products

Data type
Consumption data

Commodity production/ consumption volume
2,321,256

Metric for commodity production/ consumption volume
Other, please specify
GBP

Data coverage
Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?
Yes

% of reported volume verified as deforestation- and/or conversion-free
100

Please explain
SSEN Distribution uses wooden poles in its electricity network to support the overhead lines to distribute energy to its customers. In 2021/22, SSEN procured around £2.3m worth of wooden poles. SSEN has specifications in place for procurement of wooden poles. The terms used in this specification are those quoted in ENA TS 43-88 and BS EN 14229:2010. All suppliers considered for supply are required to demonstrate certification in ISO 9001 and ISO 14001. The current supplier of SSEN's overhead line poles obtains their poles from forests in Finland. The forests are certified by the PEFC (Programme for the Endorsement of Forest Certification). This accreditation is similar to the Forest Stewardship Council (FSC) and seeks to protect forests by promoting sustainable forest management through certification.

F1.5b

(F1.5b) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.

Forest risk commodity
Timber products

Country/Area of origin
Any other countries/areas

State or equivalent jurisdiction

% of total production/consumption volume

100

Please explain

The current supplier of SSEN's overhead line poles obtains their poles from forests in Finland. This covers all of the wooden overhead line poles procured by SSE. The forests are certified by the PEFC (Programme for the Endorsement of Forest Certification). This accreditation is similar to the Forest Stewardship Council (FSC) and seeks to protect forests by promoting sustainable forest management through certification.

F1.6

(F1.6) Has your organization experienced any detrimental forests-related impacts?

No

F1.7

(F1.7) Indicate whether you have assessed the deforestation or conversion footprint for your disclosed commodities over the past 5 years, or since a specified cutoff date, and provide details.

Forest risk commodity

Timber products

Have you monitored or estimated your deforestation/conversion footprint?

No, and we do not plan to monitor or estimate our deforestation/conversion footprint in the next two years

Coverage

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

Known or estimated deforestation/ conversion footprint (hectares)

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

F2. Procedures

F2.1

(F2.1) Does your organization undertake a forests-related risk assessment?

Yes, forests-related risks are assessed

F2.1a

(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.

Timber products

Value chain stage

Direct operations
Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of other company-wide risk assessment system

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods

Issues considered

Availability of forest risk commodities
Quality of forests risk commodities
Tariffs or price increases
Loss of markets

Stakeholders considered

Customers
Suppliers

Please explain

SSE undertakes supplier due diligence, undertaking appropriate enquiries into suppliers with the purpose of identifying, assessing and mitigating risks associated with entering into a contract with them. This covers three key areas: Anti-financial crime, financial stability, and ethical and sustainability. SSE also conducts biennial ‘Health Checks’ on its suppliers with greater than £2,000,000 spend per annum, across these three key

areas identified. The ethical and sustainability risk assessment specifically covers consideration of environmental issues which, depending on the product being procured, will cover forest-related risks.

In addition to this, SSE implements a category management approach, which is a strategic approach to procurement where spend is segmented into areas which contain similar or related products enabling opportunities for consolidation and efficiency, whilst ensuring the particular needs and priorities of individual business units are fully addressed. It covers key areas of expenditure across 15 major categories, on of which is Overhead Lines.

Each category is managed by a Category Manager with a supporting category management approach that is governed by a three-stage process (requirements, opportunity and delivery). Every 12 months each Category Manager produces a Strategic Category Plan. Our Category Managers focus on market analysis, detailed assessment of our supply chain and sourcing to ensure individual categories have a specific procurement approach defined to achieve value for money.

SSE considers risks relating to wood poles over the period of the contracts with the supplier (around 5 years), and is considers them when planning for the upcoming RIIO price controls. RIIO is the GB energy regulator's (Ofgem) process for setting targets and measuring progress and is done over set timeframes. The RIIO-ED2 price control for its electricity distribution business will run from 2023 to 2028, and the next RIIO-T3 price control for SSE's electricity transmission business which expected to run from 2027 to 2031.

F2.2

(F2.2) For each of your disclosed commodity(ies), has your organization mapped its value chains?

	Value chain mapping
Timber products	Yes, we have partially mapped the value chain

F2.2a

(F2.2a) Provide details of your organization's value chain mapping for its disclosed commodity(ies).

Forest risk commodity

Timber products

Scope of value chain mapping

Tier 1 suppliers

% of total suppliers covered within selected tier(s)

1

Description of mapping process and coverage

The products SSE procures are split into different categories through the category management approach. SSE has one single supplier of over head wood poles for its electricity distribution business. SSE's total supply chain consists of around 10,000 suppliers, therefore the percentage of total suppliers covered is less than 1%. SSE's has visibility of where its supplier procures obtains the wood poles from, which is Finland.

Your own production and primary processing sites: attach a list of facility names and locations (optional)

Your suppliers' production and primary processing sites: attach a list of names and locations (optional)

F3. Risks and opportunities

F3.1

(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?

	Risk identified?
Timber products	Yes

F3.1a

(F3.1a) How does your organization define substantive financial or strategic impact on your business?

SSE follows the guidance and definitions relating to risk management as outlined in the FRC Corporate Governance Code. Its Principal Risks are therefore those risks that have the potential to impact the liquidity, solvency or business model of one or more of the core Business Units and/or of the Group as a whole to be substantive. SSE only accepts risk when: it is consistent with its core purpose, strategy and values; is well understood; can be effectively managed; with consideration of stakeholder expectations and offers commensurate reward. SSE defines risk as any event or circumstance that has potential to threaten achievement of its strategic objectives or compromise its business values.

In determining its appetite for specific risks, the Board is guided by three key principles:

1. Risks should be consistent with SSE's strategy, values and financial objectives;

2. Risks should only be accepted where appropriate reward is achievable on the basis of objective evidence and in a manner that is consistent with SSE's purpose, strategy and values; and

3. Risks should be actively controlled and monitored through the appropriate allocation of management and other resources, underpinned by the maintenance of a healthy business culture.

The Board has overall responsibility for determining the nature and extent of the risk it is willing to take and for ensuring that risks are managed effectively across the Group. The Board aims to consider all material influencing factors and key external trends in the energy market, including those relating to climate change, and aims to do so in a way that reflects the expectations of SSE's key stakeholder groups. These material influencing factors also have an impact on the nature and extent of risks the Board is willing to take in order to meet these objectives, and related mitigation strategies adopted by the Group. Material changes in the nature and potential impacts of SSE's Group Principal Risks are regularly assessed with appropriate mitigations implemented where necessary. SSE's Group Executive Committee (GEC) and its sub-Committees have responsibility for overseeing SSE's eleven Principal Risks, of which Climate Change is one. All Principal Risks are reviewed by the Board.

Description of the indicators to define substantive financial or strategic impact:

In addition to, and complementary to the Group Principal Risk assessment SSE also conducts a specialist TCFD climate-related risk and opportunity assessment process. This specialist TCFD risk assessment process takes the climate change risks from the Principal Risks and goes into more detail to identify and assess both climate-related risks and opportunities. This specialist TCFD assessment process uses a risk rating matrix to define the material risks and opportunities and consider the relative significance of the risk or opportunity at a corporate level, this process involves assessing the likelihood and financial impact.

Likelihood - the time frame in which the risk or opportunity is likely to impact SSE:

· Low (exceptionally unlikely to unlikely to occur) – less than 1 in 10-year event;
· Medium (about as likely as not or more than likely than not to occur) – 1 in 5-year event; and
· High (very likely to virtually certain to occur) – 1 in 3-year event.

Financial impact - the financial impact of the risk or opportunity:

· Low – <£50m earnings annually or <£100m revenue annually;
· Medium – >£50m <£100m earnings annually or >£100m <£250m revenue annually; and
· High >£100m earnings annually or >£250m revenue annually.

This framework enables SSE to determine the risks and opportunities with a substantive financial or strategic impact. Out of these thresholds, SSE determines a substantive impact on the business to be an impact which is of a high likelihood (very likely to virtually certain to occur) and of a high financial impact (>£100m earnings annually or >£250m revenue annually).

In 2021/22 governance was further strengthened, with the Audit Committee of the Board taking oversight of the annual TCFD report and the reform of the Safety Health and Environment Advisory Committee to include sustainability oversight including a focus on climate adaptation.

All forest-related risks outlined below would all have low financial materiality to the SSE Group.

F3.1b

(F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Forest risk commodity

Timber products

Type of risk

Regulatory

Geographical scale

Global

Where in your value chain does the risk driver occur?

Direct operation

Supply chain

Primary risk driver

Non-compliance with national legislation

Primary potential impact

Fines, penalties or enforcement orders

Company-specific description

Creosote is a wood preservative that is used to protect treated wood against insects and fungi. Creosote has been found to be carcinogenic and has been banned for general consumer use in the EU market since 2003. Some industries still have authorisation to use it, including the electric utilities, telecoms and rail industries for use on wooden poles and rail sleepers.

This exemption was due to end in 2021, however has been extended out to 2027 in the EU and SSE expects that the UK will follow this timeframe as well. However, it is believed that this will be the last extension available.

There are some alternatives to creosote in the market place, including copper salt and copper oil treatments, however they do not provide the same lifespan for the wood poles, only between 20-25 years and around 40 years respectively. This is compared to over 50 years for creosote treated wood poles. In addition the alternative treatments are more expensive that the current creosote treatment.

Timeframe

4-6 years

Magnitude of potential impact
Low

Likelihood
Virtually certain

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial
SSE has not disclosed the financial impact of this risk.

Primary response to risk
Greater compliance with regulatory requirements

Description of response
SSE is part of the APPEAL project, which is an innovative project carried out in consortium with other Distribution Network Operators in GB. The project is exploring alternatives to Creosote. The project includes testing alternative preservatives by carrying out an accelerated-ageing test of wood poles treated with different preservatives; and assessing the results by analysing samples at different times during the test.

SSE is also currently working with its supplier to test wood poles treated with alternative wood preservers in its licence area in the north of Scotland, which is subject to harsher weather conditions, to understand performance of these alternatives.

Cost of response
0

Explanation of cost of response
SSE has not disclosed the financial cost to respond to this risk.

Forest risk commodity
Timber products

Type of risk
Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Direct operation
Supply chain

Primary risk driver

Exposure to sanctions and litigation

Primary potential impact

Reduced availability of insurance on assets in “high-risk” locations

Company-specific description

The Russian invasion of Ukraine has caused a number of challenges to SSE’s supplier of wood poles, which it has had to navigate. SSE’s supplier sources trees from Finland and the timber is transported by canal. A small portion of this canal crosses the Russian border, which has led to insurance companies being unable to insure the product if it was transported this way. The supplier is now using an alternative route by rail.

In addition to this, the supplier has also had to secure alternative shipping companies to transport the timber from Finland to the UK, as some previous vessels used were Russian.

An additional impact of the Russian invasion of Ukraine, has been that the supplier has had to source alternative providers of creosote. The main production of creosote-fraction the supplier used was in Mariupol, Ukraine. It now sources the product from other countries, including Turkey.

Timeframe

4-6 years

Magnitude of potential impact

Low

Likelihood

Virtually certain

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial

SSE has not disclosed the financial impact of this risk.

Primary response to risk

Greater compliance with regulatory requirements

Description of response

The main risks have been within the control of the supplier, rather than with SSE. However, SSE's supply chain management approach outlined in question F2.1a, which includes supply chain due diligence and category management, ensures that SSE maintains good relationships with its suppliers and that the suppliers have suitable capacity to deal with risks when they arise. SSE's supplier of wood poles has dealt with the impacts arising from the Russian of Ukraine well and there has been no interruption in supply to SSE and the supplier is financially stable.

Cost of response

0

Explanation of cost of response

SSE has not disclosed the financial cost to respond to this risk.

F3.2

(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?

	Have you identified opportunities?
Timber products	No

F3.2b

(F3.2b) Why does your organization not consider itself to have forests-related opportunities?

Timber products

Primary reason

Opportunities exist, but none with potential to have a substantive financial or strategic impact on business

Please explain

Forest-related opportunities do exist but these do not meet SSE's definition of having a substantive financial or strategic impact on the business, as disclosed in F3.1a.

F4. Governance

F4.1

(F4.1) Is there board-level oversight of forests-related issues within your organization?

Yes

F4.1a

(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.

Position of individual	Please explain
Chief Executive Officer (CEO)	SSE's Chief Executive has overall lead responsibility for sustainability issues, including environment (such as forest and water-related issues), and this includes at Board-level. The Chief Executive is assisted by Board-level committees, senior management and several specific management committees. The Board is advised on matters of safety, health and environment (SHE) by the Safety, Sustainability Health and Environment Advisory Committee (SSHEAC). The Chief Executive is a member of the SSHEAC. The SSHEAC has an overarching role in supporting SSE's commitment to be a sustainable company that makes a positive contribution to the communities and societies of which it is part. In fulfilling this role, the SSHEAC reviews and oversees the implementation of key sustainability-related Group policies (that include water-related aspects), including the Safety and Health policy, Environment and Climate Change policy, and Sustainability policy.

F4.1b

(F4.1b) Provide further details on the board's oversight of forests-related issues.

	Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action	The Board is advised on matters of safety, health and environment (SHE) by the Safety, Sustainability Health and Environment Advisory Committee (SSHEAC). Committee membership comprises four non-Executive Directors; the Chair of the Board; the Chief Commercial Officer; the Chief Sustainability Officer; and three senior executives The SSHEAC has an overarching role in supporting SSE's commitment to be a sustainable company that makes a positive contribution to the communities and societies of which it is part. The Committee now has expanded responsibility for: increased oversight of SSE's policy, practice and performance surrounding environmental impacts, including waste, air emissions, biodiversity, forests and water consumption – under which it continues to oversee the actions which have been agreed to

		Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing innovation / R&D priorities Setting performance objectives	manage SSE's environmental footprint. SSE's Chief Sustainability Officer is responsible for advising the Board and its Committees, the Group Executive Committee (GEC) and individual Business Units, on sustainability issues and strategy (including forest-related aspects). The Sustainability team supports and drives sustainability performance programmes across the organisation and reports progress on sustainability activities to the full range of SSE's stakeholders. For example, forests disclosure was identified as an area for improvement and processes were established and implemented to improve the quality of forests reporting by SSE businesses to external stakeholders.

F4.1d

(F4.1d) Does your organization have at least one board member with competence on forests-related issues?

Row 1

Board member(s) have competence on forests-related issues

Yes

Criteria used to assess competence on forests-related issues

SSE's Executive Directors have worked in the energy industry and been with SSE for a significant period. The Chief Executive joined SSE in 1997, the Finance Director joined SSE in 1990 and the Chief Commercial Officer joined SSE in 1998. In their respective roles they have gained and currently possess depth of understanding of the sustainability-related issues facing society and are clear in the role of energy sector (and SSE) in addressing climate change and wider environmental issues.

A number of the non-Executive Directors possess long-standing executive career experience in sectors that entail a high degree of interaction with forest-related commodities and have therefore also assimilated understanding of forest-related issues. Their full biographies can be found in the SSE Annual Report on pages 118 to 122 and on sse.com. For example, one SSE non-Executive Director was the Finance Director of a global corporate specialising in food, ingredients and retail. The company operates in 53 countries worldwide and has given the non-Executive Director a strong grounding in global forest-related issues.

F4.2

(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on forests-related issues	Please explain
Other committee, please specify Group Executive Committee	Both assessing and managing forests-related risks and opportunities	Quarterly	The Group Executive Committee (GEC) is responsible for implementing the Group strategy set by the Board. Sustainability (including forest-related aspects) are integrated and considered within the Group strategy. SSE's strategy is focused on the low-carbon transition and its Sustainability Framework is designed to ensure that in achieving its business objectives, by conducting itself in a way that respects the social contract it has with society and creates long term value. This includes the environment and forest-related issues that impact its key stakeholders and wider society. The GEC also monitors the operational and financial performance of sustainability related activities across the organisation. It is supported by the Group Safety, Sustainability, Health and Environment Committee in relation to sustainability matters.
Safety, Health, Environment and Quality committee	Both assessing and managing forests-related risks and opportunities	Quarterly	The Safety, Health and Environment Committee advises the Group Executive Committee on safety, health and environment (SHE) matters. It is responsible for SHE policies, targets and strategy, performance, awareness and action including water related issues.

F4.3

(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?

	Provide incentives for management of forests-related issues	Comment
Row 1	Yes	

F4.3a

(F4.3a) What incentives are provided to C-Suite employees or board members for the management of forests-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive?	Performance indicator	Please explain
Monetary reward	Corporate executive team Chief Executive Officer (CEO) Chief Financial Officer (CFO) Chief Operating Officer (COO) Chief Procurement Officer (CPO) Chief Sustainability Officer (CSO) Other, please specify		The Annual Bonus scheme for Executive Directors, an element of this is based on individual objectives. The Executive Directors are judged on a broad definition of sustainability. Annual appraisals for all SSE employees are based around its 6 core values, one of which is sustainability. Individual performance is assessed and has implications on whether annual incremental pay rises and/ or bonuses are given. There are several managers in SSE whose jobs are directly related to environmental management, and therefore their salary and any incentive (monetary and non-monetary) is linked to the fulfilment of environment related personal targets.
Non-monetary reward	No one is entitled to these incentives	No indicator for incentivized performance	No non-monetary rewards are linked to the management of forests-related issues.

F4.4

(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?

No, but we plan to do so in the next two years

F4.5

(F4.5) Does your organization have a policy that includes forests-related issues?

Yes, we have a documented forests policy that is publicly available

F4.5a

(F4.5a) Select the options to describe the scope and content of your policy.

	Scope	Content	Please explain
Row 1	Company-wide	Commitment to best management practices for soils and peat Commitment to take action beyond own supply chain to tackle environmental issues	SSE's Environment policy is company-wide and provides the policy framework on the environment for all its business operations, recognising our management commitments and dependency on resource use such as timber products. This policy is implemented locally by business units through environmental management systems. The policy requires SSE's operations to,

		Commitment to resolving both social and environmental issues in own operations and supply chain Commitments beyond regulatory compliance Commitment to transparency Commitment to stakeholder awareness and engagement Commitment to align with the SDGs Recognition of the overall importance of forests and other natural ecosystems	amongst other things, identify material impacts, manage environmental risks, engage positively with key stakeholders, work with suppliers, and integrate environmental improvements into everyday decision making. Specifically, SSE commits to "decreasing the impact of our resource consumption by: • Minimising resource use and waste production. • Minimising waste to landfill and increasing recycling. • Working with our supply chain to improve performance and innovation. • Engaging with the circular economy, by using reprocessed materials and ensuring our resources can readily be reused or recycled so far as is practical. • Selecting materials that have sustainable lifecycle impacts." The policy also commits to "Engage positively with key stakeholders on environmental issues and take responsibility within the wider community for improving the environmental impact of our business." This is a Group-wide policy signed off by the Chief Executive.

F4.5b

(F4.5b) Do you have commodity specific sustainability policy(ies)? If yes, select the options that best describe their scope and content.

	Do you have a commodity specific sustainability policy?	Please explain
Timber products	No	SSE does not have a commodity specific sustainability policy.

F4.6

(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?

No

F5. Business strategy

F5.1

(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	5-10	As wood poles are a crucial asset in SSE's electricity networks, particularly the distribution network, the consideration of issues relating to this product is included in the business and financial planning for the upcoming RIIO price controls. RIIO is the GB energy regulator's (Ofgem) process for setting targets and measuring progress and is done over set timeframes. The RIIO-ED2 price control for its electricity distribution business will run from 2023 to 2028, and the next RIIO-T3 price control for SSE's electricity transmission business which expected to run from 2027 to 2031.
Strategy for long-term objectives	Yes, forests-related issues are integrated	5-10	As wood poles are a crucial asset in SSE's electricity networks, particularly the distribution network, the consideration of issues relating to this product is included in the business and financial planning for the upcoming RIIO price controls. RIIO is the GB energy regulator's (Ofgem) process for setting targets and measuring progress and is done over set timeframes. The RIIO-ED2 price control for its electricity distribution business will run from 2023 to 2028, and the next RIIO-T3 price control for SSE's electricity transmission business which expected to run from 2027 to 2031. These business plans outline what the networks businesses plan to deliver over the regulatory timeframe and establish their strategy to deliver these plans.
Financial planning	Yes, forests-related issues are integrated	5-10	As wood poles are a crucial asset in SSE's electricity networks, particularly the distribution network, the consideration of issues relating to this product is included in the business and financial planning for the upcoming RIIO price controls. RIIO is the GB energy regulator's (Ofgem) process for setting targets and measuring progress and is done over set timeframes. The RIIO-ED2 price control for its electricity distribution

			business will run from 2023 to 2028, and the next RIIO-T3 price control for SSE's electricity transmission business which expected to run from 2027 to 2031.

F6. Implementation

F6.1

(F6.1) Did you have any timebound and quantifiable targets for increasing sustainable production and/or consumption of your disclosed commodity(ies) that were active during the reporting year?

Yes

F6.1a

(F6.1a) Provide details of your timebound and quantifiable target(s) for increasing sustainable production and/or consumption of the disclosed commodity(ies), and progress made.

Target reference number

Target 1

Forest risk commodity

Timber products

Type of target

Ecosystem restoration

Description of target

SSE operates in some of the UK and Ireland's most remote areas which are home to a wide variety of valuable ecosystems and habitats. SSE works to actively manage its environmental footprint and take careful consideration of biodiversity in its activities to ensure that it maximises positive and minimises negative impacts. In support of this, in 2021/22, all SSE Business Units committed to achieving no 'net loss' in biodiversity by 2023 and 'net gain' in biodiversity by 2025 on onshore Large Capital Projects.

Linked commitment

Other environmental commitments

Traceability point

Third-party certification scheme

Start year

2022

Target year

2025

Quantitative metric

Percentage

Target (number)

Target (%)

100

% of target achieved

0

Please explain

SSE works to actively manage its environmental footprint and take careful consideration of forests and related biodiversity in its activities to ensure that it maximises positive and minimises negative impacts. In 2021/22, all SSE Business Units committed to achieving no ‘net loss’ in biodiversity by 2023 and ‘net gain’ in biodiversity by 2025 on onshore Large Capital Projects. SSE cannot yet credibly determine progress made against this target. As the target was set in 2021/22, there has been little time to implement measures to improve biodiversity at on onshore Large Capital Projects and the method to measure and track progress against this target is yet to be established across the business units.

SSEN networks has been piloting the use of natural capital tools to measure ecosystem services and the value of natural capita. One tool that is being trialled is the NatCapMap approach by SSEN Transmission’s at its Knocknagael – Tomatin Overhead Line project. In addition, SSEN networks is using Natural England’s Biodiversity Metric 3.0 which to calculate the units required to deliver the soon to be mandatory 10% Biodiversity Net Gain for new developments in England. This in turn has resulted in a trading market for biodiversity units. While Scotland has not yet adopted Natural England’s metric and model, SSEN Distribution has used it as a proxy for measurement in England and Scotland.

F6.2

(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?

	Do you have system(s) in place?	Description of traceability system	Exclusions
Timber products	Yes	SSE undertakes supplier due diligence, undertaking appropriate enquiries into suppliers with the purpose of	Not applicable

		identifying, assessing and mitigating risks associated with entering into a contract with them. This covers: Anti-financial crime, financial stability, and ethical and sustainability. SSE also conducts biennial 'Health Checks' on its suppliers with greater than £2,000,000 spend per annum, across these three key areas identified. The ethical and sustainability risk assessment specifically covers consideration of environmental issues which, depending on the product being procured, will cover forest-related risks. SSE has a number of tracking and monitoring methods in place for its waste wood processes at Slough Heat and Power: 1. Delivery database that records all deliveries of wood to site and records of waste transfer notes against duty of care legislation. 2. Quality standards are in place for the type of waste wood received (as classified by Environment Agency) and specific dust levels are also set for the waste wood. 3. SSE has an ISO14001 system in place to manage environmental impacts at the site. 4. Annual supply chain audit carried out by an external third party certified auditor on the traceability of the waste wood. 5. All waste wood has to meet Renewable Obligation Certificate criteria which determines a specific grade of waste wood as classified by Environment Agency. SSE procures timber-related commodities across its business. One specific use of timber is in the wooden poles that are used in SSE's networks business. These wooden poles provide the structure to support the overhead electricity cables in the high and low voltage transmission and distribution networks. For the supply of timber related products, some areas of the business require the timber purchased to meet specified standards. For instance SSE's Networks business has specifications in place for procurement of wooden poles. The terms used in this specification are those quoted in ENA TS 43-88 and BS EN 14229:2010. All suppliers considered for supply are required to demonstrate certification in ISO 9001 and ISO14001. The current supplier of SSE's overhead line poles obtains their poles from Forests in Finland. The forests are certified by the PEFC (Programme for the Endorsement of Forest Certification). This accreditation is similar to the Forest Stewardship Council (FSC).	

F6.2a

(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).

Forest risk commodity	Point to which commodity is traceable	% of total production/consumption volume traceable
Timber products	Country	100

F6.3

(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?

	Third-party certification scheme adopted?	% of total production and/or consumption volume certified
Timber products	Yes	100

F6.3a

(F6.3a) Provide a detailed breakdown of the volume and percentage of your production and/or consumption by certification scheme.

Forest risk commodity

Timber products

Third-party certification scheme

PEFC (any type)

Chain-of-custody model used

% of total production/consumption volume certified

100

Form of commodity

Softwood logs

Volume of production/ consumption certified

2,321,256

Metric for volume

Other, please specify

GBP

Is this certified by more than one scheme?

No

Please explain

SSEN Distribution uses wooden poles in its electricity network to support the overhead lines to distribute energy to its customers. In 2021/22, SSEN procured around £2.3m worth of wooden poles. SSEN has specifications in place for procurement of wooden poles. The terms used in this specification are those quoted in ENA TS 43-88 and BS EN 14229:2010. All suppliers considered for supply are required to demonstrate certification in ISO 9001 and ISO 14001. The current supplier of SSEN's overhead line poles obtains their poles from forests in Finland. The forests are certified by the PEFC (Programme for the Endorsement of Forest Certification). This accreditation is similar to the Forest Stewardship Council (FSC) and seeks to protect forests by promoting sustainable forest management through certification.

Forest risk commodity

Timber products

Third-party certification scheme

Other, please specify

UK Renewable Obligation Certificates (ROCs)

Chain-of-custody model used

Not applicable

% of total production/consumption volume certified

100

Form of commodity

Other, please specify

Waste wood used as fuel source for power generation

Volume of production/ consumption certified

103,986

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Please explain

Slough Heat and Power uses waste wood (classified by the Environment Agency regulations) to generate electricity. All of suppliers of waste wood are based in the UK. The electricity generated is eligible for Renewable Obligation Certificates (ROCs) as classified by Ofgem, the regulator for gas and electricity markets in Great Britain. To receive ROCs, the waste wood has to meet specific criteria. This criteria is that it is 'waste' wood and not raw timber and that it is of a certain grade of waste as specified by the Environment Agency. Slough Heat and Power uses only waste wood to generate electricity.

F6.4

(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?

	A system to control, monitor or verify compliance	Comment
Timber products	No	

F6.7

(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?

	Are you working with smallholders?	Please explain
Timber products	Not applicable	

F6.8

(F6.8) Are you working with your direct suppliers to support and improve their capacity to comply with your forests-related policies, commitments, and other requirements?

	Are you working with direct suppliers?	Type of direct supplier engagement approach	Direct supplier engagement approach	% of suppliers engaged	Please explain
Timber products	Yes, working with direct suppliers	Other	Other, please specify SSE is currently working with its supplier to test wood poles treated with alternative wood preservers in its licence area in the north of Scotland, which is subject to harsher weather conditions, to understand performance of these alternatives.	<10%	SSE has around 10,000 suppliers as a whole. It engages with suppliers on specific issues relevant to the category of product/service provided. Due to the critical nature of wood poles to the electricity distribution business, SSE has a strong relationship with the supplier of the overhead wood poles.

F6.9

(F6.9) Are you working beyond your first-tier supplier(s) to manage and mitigate deforestation risks?

	Are you working beyond first tier?	Please explain
Timber products	No, not working beyond the first tier	SSE's focus on sustainable supply chain practices has been focused on its Tier 1 suppliers to date. SSE's Sustainable Procurement Code outlines expectations for suppliers around responsible sourcing and resource consumption. The supplier guidance document that is provided alongside the Code outlines clear expectations for timber: 'All timber and timber products should be sourced from legal and sustainable sources, certified under the Forest Stewardship Council ("FSC") or Programme for the Endorsement of Forest Certification ("PEFC")'. The sustainable procurement code and the guidance document state that they outline expectations of the suppliers and their supply chains.

F6.10

(F6.10) Do you engage in landscape (including jurisdictional) approaches to progress shared sustainable land use goals?

	Do you engage in landscape/jurisdictional approaches?
Row 1	Yes, we engage in landscape/ jurisdictional approaches

F6.10a

(F6.10a) Indicate the criteria you consider when prioritizing landscapes and jurisdictions for engagement in collaborative approaches to sustainable land use and provide an explanation.

	Criteria for prioritizing landscapes/jurisdictions for engagement	Please explain
Row 1	Company has operational presence in area Opportunity to protect natural ecosystems Opportunity to restore natural ecosystems Response to regulation Response to voluntary sectoral agreement	As part of its obligation to conduct Environmental Impact Assessments in all the jurisdictions under which the company operates, SSE undertakes detailed Environmental Impact Assessments (EIA) for large projects and completes an environmental assessment for projects where an EIA is not a statutory requirement. The four stages of the mitigation hierarchy – avoid, minimize, restore and offset – are embedded into the principles of Environmental Impact Assessment. Where projects are expected to have significant impacts on biodiversity, SSE strives to offset these impacts through actions such as developing Habitat Management Plans for renewable developments in the EIA stage, or funding conservation activity conducted by other groups. SSE also

		provides mitigation measures as part of planning proposals for all construction projects. During construction of major projects, SSE adopts detailed measures to mitigate adverse environmental impacts, often under the guidance of a professional ecologist. These include implementation of relevant Species Protection Plans and Habitat Management Plans, that allow SSE to progress construction while protecting sensitive species. This could involve only undertaking aspects of work during certain times of the year, to reduce disruption to species during mating season. SSE will undertake any monitoring of biodiversity during construction that has been committed to during the planning phase, with additional measures taken if required.

F6.10b

(F6.10b) Provide details of your engagement with landscape/jurisdictional approaches to sustainable land use during the reporting year.

Country/Area

United Kingdom of Great Britain and Northern Ireland

Name of jurisdiction or landscape area

Scotland, specifically areas where SSE operate within areas of peatland.

Is the landscape defined by administrative boundaries of sub-national governments and does the approach have active government involvement?

Yes, the landscape is defined by administrative boundaries and the approach has active government involvement

Brief description of landscape/ jurisdictional approach

SSE Renewables actively manages peatland across ten operational wind farm sites and their associated Habitat Management Plan (HMP) areas in Scotland. In recent years there have been major declines in the extent of blanket bog habitat in the UK, principally due to afforestation, drainage, burning and overgrazing. Peat is the largest terrestrial carbon store in the UK and approximately 4.5 billion tonnes of carbon are stored in Scotland's peatlands. Blanket bog habitats need to be in good health to function as a net sink carbon store instead of as a source of atmospheric carbon which is what happens if the peat is degraded.

Local Planning Authorities require an Environmental Impact Assessments (EIA) to be conducted where SSE's projects are likely to have significant effect on the environment. SSE will prepare an EIA Report containing the environmental information required by

the EIA Regulations, covering a range of topics including Ecology and Nature Conservation, Hydrology, Hydrogeology and Geology and Ornithology amongst others. The Local Planning Authorities must be satisfied that SSE provides mitigation measures as part of planning proposals for all construction projects.

Forest risk commodities relevant to this landscape/jurisdictional approach

Other, please specify

Peatland (Blanket bog); Native woodland; Wetlands; Heathland and Grassland.

Type of engagement

Convener: High level of engagement in set-up, design, management and implementation

Description of engagement

SSE conducts extensive habitat restoration at its renewables sites across the United Kingdom and Ireland. Examples of sustainable land use include native woodland replanting, blanket bog and heathland restoration, grazing reduction, and conifer felling. These activities seek to enhance the habitat for biodiversity, with targeted activities aimed to improve the habitat for specific species, such as the black grouse habitat enhancement at Griffin windfarm or the habitat management for hen harriers at Fairburn windfarm.

Goals supported by engagement

Carbon removals through restoration
Reduced emissions from land use change and/or agricultural production
Habitat connectivity restored/improved
Increased protected areas
Landscape conservation
Landscape restoration

Company actions supporting approach

Collaborate on land use change monitoring in the landscape/jurisdiction
Share spatial data and land management plans with other stakeholders in the landscape/jurisdiction
Support land use planning in the landscape/jurisdiction

Implementation partner(s)

SSE work with expert implementation partners on specific projects. An example of collaboration with an implementation partner is the work completed alongside the Scottish Raptor Study Group to place satellite tags on juvenile golden eagles at the Dunmaglass wind farm. SSE will also engage with a number of other relevant partners such as the RSPB, the Wildfowl and Wetlands Trust, Forestry and Land Scotland and Nature Scot on numerous projects.

Engagement start year

2,007

Engagement end year

Not defined

Total investment over the project period (currency)

80,000

Details of your investment

SSE Renewables was nominated for its environmental work at wind farm sites Clyde East and Dunmaglass, where £80,000 has already been invested at both wind farms in peat restoration programmes. At Clyde East wind farm, annual payments are awarded to local farmers to encourage the removal of sheep in winter to reduce grazing pressure while the blanket bog recovers. Further investment totalling around £15,000 will be made at both sites.

Type of assessment framework

Other, please specify

Habitat Management Plans

Is progress monitored and publicly reported on?

Yes, progress is monitored and publicly reported on

State the achievements of your engagement so far, and how progress is monitored

An example of a successful implementation of a Habitat management Plan can be seen at the Dunmaglass and Stronelairg wind farms (both JVs between SSER and Greencoat UK Wind Plc in which SSER has a 50.1% share). Both JV partners have been contributing to conservation efforts and improving understanding of the golden eagle. Remote cameras have been installed at Stronelairg Wind Farm to monitor golden eagle activity. A conservation management plan at Dunmaglass which was established in 2015 has enabled intensive monitoring of active and vacant golden eagle ranges to improve the knowledge base and document the status of golden eagle activity and breeding success in this area. To date 19 juvenile golden eagles have been fitted with satellite tags as part of the research programme which has been undertaken in collaboration with the Scottish Raptor Study Group. In 2019, monitoring found that there were 25 territories occupied by golden eagles within the study area, up from 19 in 2015, making this area one of the most rapidly increasing populations of golden eagle in Scotland.

F6.11

(F6.11) Do you participate in any other external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Engaging with policymakers or governments

Country/Area

United Kingdom of Great Britain and Northern Ireland

Subnational area

Please specify

Argyll, Scotland

Initiatives

Please explain

SSEN Transmission and conservation organisation, Argyll and the Isles Coast and Countryside Trust (ACT), and Argyll and Bute Council have joined forces to help deliver SSEN Transmission's compensatory tree planting initiative and in doing so, help support and enhance Scotland's rainforest in Argyll.

The ground-breaking partnership will see ACT help deliver SSEN Transmission's compensatory tree planting relating to its Inveraray-Crossaig transmission project, with the initial phase of planting underway on Argyll and Bute Council's sites near Lochgilphead in Argyll. By planting native species, the planting will support local flora and fauna, creating natural habitats for native species to thrive, supporting SSEN Transmission's commitments to deliver biodiversity net gain and compensatory planting on all its major projects.

F6.12

(F6.12) Is your organization supporting or implementing project(s) focused on ecosystem restoration and protection?

Yes

F6.12a

(F6.12a) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).

Project reference

Project 1

Project type

Other ecosystem restoration

Primary motivation

Required by regulation

Description of project

SSE Renewables actively manages peatland across ten operational wind farm sites and their associated Habitat Management Plan (HMP) areas in Scotland. This is achieved through implementing a variety of peatland management techniques, which include: targeted peatland restoration; livestock reduction on sensitive peatland habitats; no burn policies; and forestry removal.

Start year

2007

Target year

Indefinitely

Project area to date (Hectares)

1,678

Project area in the target year (Hectares)

2,015

Country/Area

United Kingdom of Great Britain and Northern Ireland

Latitude

57.2772

Longitude

4.2636

Monitoring frequency

Six-monthly or more frequently

Measured outcomes to date

Biodiversity
Carbon sequestration
Soil
Water

Please explain

In recent years there have been major declines in the extent of blanket bog habitat in the UK, principally due to afforestation, drainage, burning and overgrazing. Peat is the largest terrestrial carbon store in the UK and approximately 4.5 billion tonnes of carbon are stored in Scotland's peatlands. Blanket bog habitats need to be in good health to function as a net sink carbon store instead of as a source of atmospheric carbon which is what happens if the peat is degraded.

Peat is also important for water management, as peat can hold up to 20 times its own weight in water and therefore contribute to the regulation of flooding.

F7. Verification

F7.1

(F7.1) Do you verify any forests information reported in your CDP disclosure?

No, but we are actively considering verifying in the next two years

F8. Barriers and challenges

F8.1

(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.

Forest risk commodity

Timber products

Coverage

Supply chain

Primary barrier/challenge type

Limited value chain engagement

Comment

SSE's barrier is that the main risks are in the direct control of suppliers, and therefore are not in SSE's direct control to influence. However, SSE works to manage these risks through creating strong relationships with its suppliers and undertaking supply chain due diligence and category management.

F8.2

(F8.2) Describe the main measures that would improve your organization's ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.

Forest risk commodity

Timber products

Coverage

Supply chain

Main measure

Greater stakeholder engagement and collaboration

Comment

F17 Signoff

F-FI

(F-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

F17.1

(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

	Job Title	Corresponding job category
Row 1	Chief Sustainability Officer	Chief Sustainability Officer (CSO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms